PADDLEWHEELS

This chapter contains information on the conduct of paddlewheels, records, and reports.



"Meat raffles" are often conducted using a mini-30 paddlewheel.

These games must be conducted and reported following statute and rule requirements for paddlewheel games.

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	Common Terms
Bar code	Bar codes are used by the Department of Revenue to track the distribution, sales, and reporting of paddletickets throughout the state.
	It is the manufacturer's responsibility to place a bar code on each paddlewheel master flare.
Master flare	A master flare is the posted display with a bar code imprinted or affixed, used in conjunction with sealed groupings of up to 100 sequentially numbered paddleticke cards. The flare must contain the price per play and the ticket count.
	Flares for paddlewheel with table games must also include the prizes and odds.
Meat raffle	A paddlewheel game in which the prize is a meat package.
Paddleticket	A preprinted ticket that can be used to place wagers on the spin of a paddlewheel.
Paddlewheel	A paddlewheel is a vertical wheel marked off in sections with one or more numbers. When spun, the pointer indicates the winning number.
	A paddlewheel may be an electronic device that simulates a mechanical paddlewheel.

Items	Used in the Conduct of P	addlewheels
	Required Items	
Item	Use	Where to Obtain
Paddleticket card	A card with detachable paddletickets attached to it.	Purchased from a licensed distributor.
Paddlewheel	A manually operated vertical wheel marked off into sections containing numbers or number/ symbol combinations that, after being spun, uses a pointer to indicate the winning number on the wheel.	Purchase from a licensed distributor.
Paddlewheel chip	Required with a paddlewheel table. Each paddlewheel chip: 1. must have permanent edge spots which are different in color than the rest of the chip; 2. must be clearly and permanently impressed, engraved, or imprinted [on one or both sides] with your organization's license number and the dollar value of the chip; 3. may not be made of plastic, wood, or paper; 4 may be issued in denominations of \$1, \$2, \$5, and \$25; and 5. must meet color requirements: • \$1 white chips • \$2 yellow chips • \$5 red chips • \$25 green chips.	Purchase from any source; the chips must meet the standards contained in Minnesota Rules, Part 7861.0300, subpart 9.
Paddlewheel table	A table with slots in the tabletop used to place bets prior to the spin of the paddlewheel.	Purchase from a licensed distributor.
Video surveillance system	Required with a paddlewheel table. Used to record and monitor game activity when a paddlewheel table is used.	Purchase from any source. Contact a Compliance Specialist for specifications.

Paddlewheel Prizes

Prize limit

The value of a paddleticket prize may not exceed \$70.

Types of prizes allowed

Types of prizes not allowed

Without a table: Prizes for a paddlewheel game without a table may consist of:

- 1. cash,
- 2. gift cards or gift certificates, and
- merchandise, which includes certificates for merchandise or services.

With a table: Prizes for a paddlewheel game with a table may only consist of chips, redeemed for cash, with a maximum cash prize of \$70.

- Prizes may not consist of lawful gambling equipment, i.e. paper pull-tabs, tipboard tickets, paddlewheel tickets, raffle tickets, or bingo paper; and free drinks may not be offered as part of a paddlewheel game.
- Cash may not be substituted for merchandise prizes, certificates for merchandise or services, gift cards, or gift certificates.
- Merchandise prizes or certificates are not allowed for a paddlewheel game conducted with a table.

Merchandise prizes

Donated prize

Merchandise prizes may be donated.

Lessor restrictions

For a leased premises:

- 1. The lessor may donate prizes.
- 2. An organization may purchase from the lessor a certificate for merchandise or gift card to be redeemed for food or beverages at the premises if:
 - a. the certificate or card has a redeemable monetary cash value;
 - the certificate or card does not contain restrictions on its redemption, such as requiring a purchase of food or beverage of equal or greater value or redeemable for a specific item;
 - c. the certificate or card may be redeemed at any time during regular business hours of the permitted premises; and
 - d. the cost to the organization is 50% or less of the redeemable cash value.

Compliance with prize limit

To determine compliance with prize limits, merchandise prizes that are donated or purchased at a discount must be valued at their fair market value.

The fair market value of a merchandise prize must not be an amount less than the purchase price.

Report on G1

For purposes of reporting on the monthly G1:

- donated prizes have no value [not reported], and
- report merchandise prizes at the actual cost plus shipping and sales tax.

Paddlewheel Prizes [continued]

Certificate for merchandise or services—required information

A certificate for merchandise or certificate for services awarded as a prize must include:

- a complete description, including the value, of the merchandise or services,
- the vendor's name from whom the certificate must be redeemed, and
- a statement expressly prohibiting the substitution of cash or another type of merchandise or services described on the certificate.

Ownership of prizes required; payment

- For paddlewheels consisting of 32 numbers or less, merchandise prizes may be paid for up to 30 days after your organization receives the prize.
- For all other paddlewheel without table games, an organization must pay in full for paddlewheel prizes or otherwise become the owner without lien or interest of others prior to the conduct of the paddlewheel game.
- Purchase merchandise prizes directly from the vendor and pay with a check drawn on the gambling account. Cash from the game may not be used to pay for merchandise prizes.

Who May and May Not Participate in Lawful Gambling [Minnesota Statutes, Section 349.181]

	Paper pull-tabs, electronic pull-tabs, tipboards, and paddlewheels	Bingo and electronic linked bingo	Raffles
Gambling manager [at organization's permitted premises]	No	No	No
Organization and lessor employees and volunteers	They may play only if they are not involved with the conduct of these games¹ at the premises where they work. This restriction is in effect until six weeks after the employee or volunteer is no longer involved in the conduct of paper pull-tabs, tipboards, and paddlewheels at that premises. Note: Bingo employees may not play these games while conducting bingo.	They may play bingo only if they are not involved with the conduct of any lawful gambling ^{1, 2} during a bingo occasion at the premises where they work.	
Lessor [at lessor's premises]	No	No	No
Lessor's immediate family [spouse, child, parent, brother, sister, at lessor's premises]	No	They may play bingo if they are not involved with the conduct of bingo ² during a bingo occasion.	Yes
Age restrictions	Must be 18 or older to conduct these games. Must be 18 or older to play these games. Fishin Fishin For Money S200 S200 S200 S200 S500 S50 S50	conduct these games. Itust be 18 or older to lay these games. Must be 18 or older to play bingo. EXCEPTIONS: A person under 18 may play bingo: conducted by an exempt or excluded organization, or excluded organization, or organization as part of an annual community event, if	
Conduct of paper pull- tabs, tipboards, and p • selling tickets, • redeeming tickets, • auditing games, • making deposits, • spinning the paddlewh • conducting inventory.	addlewheels includes:	Conduct of bingo and electron selling bingo hard cards, bingo facsimiles of bingo papers completing bingo occasion selecting or announcing bine making deposits, and conducting inventory.	ingo paper sheets, or heets, records,

Conducting a Paddlewheel Game

Information required to be <u>posted</u> at each premises

General information posted

The following information must be prominently posted at each premises:

- organization name,
- license number and premises permit number,
- a statement that illegal gambling is prohibited at the premises,
- the problem gambling helpline number [1-800-333-HOPE] at each point of sale, and
- a clear and legible sign stating the amount of any cash prize and the fair market value of all merchandise prizes to be awarded for each game played without a paddlewheel table.

House rules posted

The minimum size for the house rules sign is $11" \times 17"$. The house rules must be clearly visible at the point of sale.

The house rules governing the conduct of lawful gambling must include all organization policies that affect the play of the game, including any restrictions in addition to those imposed by Minnesota Statutes, Section 349.181, on who may not participate in the conduct of lawful gambling at the premises.

In addition, the following must be included in the house rules:

- 1. All paddletickets on a card must be sold before the paddlewheel is spun.
- 2. The paddlewheel must make at least four complete revolutions before the pointer stops. If the pointer stops directly on top of a peg, the number preceding the peg is the winning number.
- 3. For paddlewheels conducted without a table, the winner is not required to be present when the paddlewheel is spun, but must claim the prize by the conclusion of activity for the day.

Name of paid employee

Paid gambling employees must clearly display their name when conducting lawful gambling.

Information required to be kept at each premises

LG847 and distributor invoice

The following must be kept at each premises:

- a current site inventory record [LG847] that lists each set of paddletickets kept on the premises, and
- a copy of the distributor's invoice for each set of paddletickets in play and for each unplayed set of paddletickets stored on the premises.

Separation of equipment

A clear physical separation or divider must be maintained between an organization's gambling equipment, another organization's gambling equipment, and the lessor's business equipment.

Conducting a Paddlewheel Game Without a Table

Check the wheel

The paddlewheel must be in working order and in balance before play may begin.

The following procedures should be used to check paddlewheels.

- 1. Check each peg and the pointer for uneven wear and replace any worn peg or worn pointer before the wheel is used.
- 2. Check the balance of the paddlewheel by:
 - inspecting the back of the paddlewheel and removing any foreign object that may affect the paddlewheel's balance;
 - positioning the pointer so it does not interfere with the spin of the paddlewheel; and
 - slowly rotate the paddlewheel 45 to 90 degrees at a time in one direction. The paddlewheel operator must determine whether there is any abnormality in the rotation or any reverse rotation after the paddlewheel stops. The wheel must continue to be rotated until the entire wheel has been evaluated by this method in both directions.
 - If the paddlewheel is out of balance, it must be balanced before conducting a paddlewheel game.



Starting cash banks and drawers

A starting cash bank is gambling money placed in the cash drawer prior to the beginning of the game, and is used to make change and pay cash prizes awarded.

Putting a game into play

Before a game is put into play

Each flare must be checked for the following:

- · the game matches the invoice, and
- the serial number on the bar code matches the serial number printed on the first paddleticket card.

The organization may not change the flare.

Game transfer not allowed

Games in play may not be transferred to another permitted premises.

Business hours

Paddlewheel tickets may only be sold and winning tickets redeemed at times when the premises is open for the conduct of its regular business. The hours that an organization will conduct gambling within the business hours of the site are determined by the organization.

Conducting a Paddlewheel Game Without a Table

[continued]

Selling the tickets

All tickets sold—All the paddletickets on a paddleticket card must be sold before the spinning of the paddlewheel. Each ticket must be sold for the same price.

Cash only—Only cash, traveler's checks, money orders, or cashier checks may be accepted for the purchase of a paddlewheel ticket.

Checks, debit cards, and credit cards are not allowed. Credit may not be extended to a player.

Maximum ticket price for each ticket is \$2.

Age restrictions—Only persons 18 and over may participate as a paddlewheel player.

Display prizes—If merchandise is offered as prizes, the merchandise must be displayed in full view of the players in the immediate vicinity of the game.

Spinning the wheel

The paddlewheel may only be spun by the paddlewheel operator. A player may not spin the paddlewheel.

The paddlewheel must make at least four complete revolutions before the pointer stops. If four complete revolutions are not made, the spin is void and the paddlewheel must be spun again. If the pointer stops directly on top of a peg, the number preceding the peg is the winning number.

Multiple spins of the paddlewheel to award multiple prizes for one paddleticket card is not allowed. However, an organization may sell multiple paddleticket cards for a single spin of the paddlewheel.

Awarding prizes; defacing winning tickets

The LG830 Merchandise Prize Perpetual Inventory is used to record merchandise prizes awarded. Separate LG830 forms may be used.

Upon awarding the prize, the seller must deface and keep the redeemed winning ticket. All winning paddletickets must be defaced. The most common method is to staple the ticket to the paddleticket card.

Multiple winners per spin

A prize must be awarded to the holder of the ticket that matches the number indicated by the paddlewheel pointer.

Multiple sets of tickets may be sold for the same spin. All tickets from each set used must be sold prior to spinning the wheel.

An organization may also offer prizes to the ticket numbers bordering the winning number on the wheel. If so, those prizes must be displayed in the same manner as the prize awarded to the ticket indicated by the pointer.

Conducting a Paddlewheel Game Without a Table

[continued]

Closing the occasion

When closing the occasion, the seller must:

- place a cover over the paddlewheel or otherwise make it inoperable,
- count the cash in the game drawer,
- separate the starting cash bank amount from the game proceeds, and
- enter on the LG847 Current Site Inventory [column 7] the date the game was closed.

All games in play closed at month end

At the end of the month all partially played groupings of paddleticket cards must be closed. Report played paddleticket groupings with any unsold paddletickets on the Schedule B2. The barcode label must be sent with your tax return when the sealed group of tickets is removed from play and reported. A sealed group of tickets is considered one game and one entry on the Schedule B2.

Deposit information [for paddlewheel games with and without a table]

First National Bank Deposit Slip	
Date 10/6/1	4
99999-001	
Paddlewheel	
80601-80610	\$300.00
80611-80615	\$150.00
TOTAL	\$450.00

Deposit and record cash in hand, or secure the cash until it can be deposited. Deposit the gambling receipts into the gambling account within four business days of the occasion.

Do not wait until the entire grouping of paddletickets has been sold to deposit the cash.

On the deposit slip, list the following information:

- 1. premises permit number
- 2. date of the deposit
- 3. paddleticket card numbers sold during that day's activity
- 4. actual amount of cash deposited from each day's paddlewheel activity.

If **merchandise prizes** are awarded, the deposit amount should equal the gross receipts [total amount wagered].

If **cash prizes** are awarded, the deposit amount should equal the net receipts [amount wagered minus the cash amount paid out in prizes].

Auditing a paddlewheel game

The final audit of the game must be done by someone other than the paddlewheel operator, the person who prepared the deposit, or the person who deposited the gambling receipts. Sellers may be asked to make a preliminary audit of their own games, but they may not do the final audit.

Fund loss

If a fund loss is discovered:

- 1. Notify local law enforcement within five days of discovering the loss [within 24 hours if the game was played in a dispensing device], and notify the Gambling Control Board. Fund losses not reported will not be considered by the Board.
- Within 60 days, provide the Gambling Control Board with documentation of reimbursement or a request for a profit carryover adjustment. This documentation must be provided to the Board within 60 days or the fund loss will not be considered by the Board.

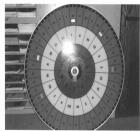
Refer to the Internal Operations and Oversight chapter, Fund Loss section.

If played or unplayed games are lost due to a disaster such as fire, flood, blizzard, tornado, or other catastrophic event, immediately contact the Department of Revenue at 651-297-1772 for instructions on how to handle the fund loss.

Conducting a Paddlewheel Game With a Table

Special training required





Before conducting a paddlewheel game with a paddlewheel table, an organization's gambling manager must attend a board-authorized class on the conduct of paddlewheels with a paddlewheel table. Thereafter, a replacement gambling manager must attend the class within 60 days of the effective date of the new gambling manager's license.

Paddlewheel activity must stop until the gambling manager/replacement gambling manager has attended board-authorized class.

To schedule the required training contact your Compliance Specialist at the Gambling Control Board.

Number of paddlewheel tables limited at premises

- No more than two paddlewheel tables may be located at a permitted premises.
- If there are two paddlewheel tables at a site, each table and its paddlewheel drop box must bear a paddlewheel table identification number that distinguishes it from the other table and its drop box.
- Each paddlewheel and paddlewheel table must also have a state registration stamp affixed to it by the distributor.

Paddlewheel table—digital video surveillance system required

A digital video surveillance system is required when conducting a paddlewheel game with a paddlewheel table.

The digital video surveillance system must meet the following specifications:

- 1. record at the same time the operator, paddlewheel table rail to rail and a picture of the wheel pointer and number of the paddlewheel table;
- 2. must not have an audio recorder;
- 3. record real date and time of activity in a location on the video that does not obscure the paddlewheel table or the wheel pointer;
- 4. allow for immediate verification of the value of chips, placement and payment of bets, the pointer, the winning number on the paddlewheel, and drop box slot;
- 5. show the identification number of the paddlewheel table when an organization conducts more than one paddlewheel table;
- 6. record in color and be capable of variable focus;
- 7. have sufficient clarity to distinguish the numbers on the table and the denominations of chips and bills;
- 8. record at a rate of at least 30 frames per second; and
- 9. be programmable with a seven-day memory backup.

Specific information regarding the video surveillance system is provided at the special training class conducted by the Gambling Control Board.

Conducting a Paddlewheel Game With a Table [continued]

Digital video recording of initial operation must be submitted

Within 14 calendar days of the initial operation or within 14 days of switching the DVR system of a paddlewheel table, an organization must send a video recording of at least one day's activity to the Board.

The Board will review the recording to verify that an organization is complying with rule requirements. If the Board determines the recording does not meet rule requirements or does not receive a recording, the organization will be advised to make corrections before resuming paddlewheel activity.

Surveillance system access and operation

Only a gambling manager or authorized organization member/employee may:

- start and stop the DVR system from the time a table is open for the day to the closing of the table;
- · access an organization's DVR system and recordings.
- Keep the system locked and inaccessible to the paddlewheel table operator and cashier.

Maintain surveillance system properly or close game

If the digital video surveillance system at a paddlewheel table is not operating properly and providing a clear, unobstructed view of the table and wheel, the paddlewheel table must be closed.

Weekly review

On a weekly basis, an authorized person must review at a minimum one day's activity per table.

A log must be kept showing who conducted the review and when it was conducted.

Digital video recordings kept for 90 days

The recordings must be kept in a safe and secure storage place for 90 days.

The recordings may not be accessible to the paddlewheel table operator or cashier.

Conducting a Paddlewheel Game With a Table [continued]

General information

For information regarding prizes, information required at the premises, and general requirements and restrictions, refer to those sections contained earlier in this chapter.

Information posted

In addition to the house rule and general information requirements outlined earlier in this chapter, the following information must be posted:

- 1. The cash denominations at which paddlewheel chips are sold and redeemed.
- A player must first purchase paddlewheel chips from the paddlewheel operator.
- 3. Chips must be safeguarded. A chip dropped into a table betting slot must be retrieved by authorized organization employees.
- 4. A player must purchase with chips only as many paddletickets as the player desires to bet on the immediate next spin of the paddlewheel.
- 5. A player is assigned a unique identification number that the player must write on the back of purchased paddletickets.
- 6. The player places a bet by inserting a paddleticket in a selected betting slot on the paddlewheel table. Jammed tickets are void.
- 7. A player may not touch a paddleticket after the paddlewheel operator announces "bets closed" and until the operator announces "place bets."
- 8. All paddletickets on a card must be sold before the paddlewheel is spun.
- The paddlewheel must make at least four complete revolutions before the pointer stops. If the pointer stops directly on top of a peg, the number preceding the peg is the winning number.
- 10. A winning "odd" or "even" bet is determined by a winning number of only the designated colored circle. However, a player loses all "odd" and "even" bets if the pointer stops on a specially designated "house number." [This house rule is only required if an "odd" or "even" bet is accepted.]
- 11. A prize payout is made in chips that must be redeemed through the cashier.
- 12. A player must be present to win.

It is recommended that the following be included in the house rules:

- Bets are not valid if they exceed one or more of these limits:
 - \$50 in aggregate for a spin
 - \$10 on a single number
 - \$25 for a line bet
 - \$25 on either "odd" or "even"
- Maximum prize payout is \$70 cash per winning paddlewheel ticket.

Conducting a Paddlewheel Game With a Table [continued]

Check equipment before starting play

Wheel

- 1. Check each peg and the pointer for uneven wear and replace any worn peg or worn pointer before the wheel is used.
- 2. Check the balance of the paddlewheel by:
 - inspecting the back of the paddlewheel and removing any foreign object that may affect the paddlewheel's balance;
 - positioning the pointer so it does not interfere with the spin of the paddlewheel; and
 - slowly rotate the paddlewheel 45 to 90 degrees at a time in one direction.

The paddlewheel operator must determine whether there is any abnormality in the rotation or any reverse rotation after the paddlewheel stops. The wheel must continue to be rotated until the entire wheel has been evaluated by this method in both directions. If the paddlewheel is out of balance, the paddlewheel must be balanced before conducting paddlewheels.

Table

- 3. Unlatch the slotted top and remove any chips, tickets or foreign objects that may have fallen through the slots.
- 4. Place the paddlewheel chip tray on the table.
- 5. Slide the drop box into the table and lock it. Check to see that the lock on the drop box is operable, otherwise the paddlewheel may not be operated.
- 6. Check the money plunger and the table chip tray to ensure that they are not cracked or broken, otherwise they must be replaced.

Chips

7. Check each chip to make sure that the organization's license number and the dollar value of the chip is clearly and permanently impressed, engraved, or imprinted on the chip. Worn, cracked, or broken chips may not be used and must be replaced. Chips must not be made of plastic, wood, or paper.

Digital video surveillance system

If the digital video surveillance system is not operating properly, the paddlewheel table must be closed.

Conducting a Paddlewheel Game With a Table [continued]

Before the start of activity—required procedures

Refer to the sample LG750 Paddlewheel with Table—Daily Report Instructions, included in this section, for instructions on "Before the start of activity."

Sale of chips and paddletickets

Purchase on premises at paddlewheel table—To be valid for a spin, all paddletickets must be sold on the permitted premises immediately before a spin. The player must purchase paddlewheel chips and paddletickets from the paddlewheel operator at the paddlewheel table.

Maximum ticket price for each ticket is \$2. Each paddleticket on the paddlecard must be sold for the same price and be a separate and equal chance to win with all other paddletickets sold for the spin.

Age restriction—Only persons 18 and over may participate as a paddlewheel player.

Player unique ID number—When a player first purchases paddlewheel chips, the operator must give the player a card containing a unique ID number. The player must return the card to the operator when the player stops playing.

Selling chips [cash only]—Only cash may be accepted for the purchase of chips. Traveler's checks, money orders, and cashier checks are acceptable. Checks, debit cards, and credit cards are not allowed. Credit may not be extended to a player.

Selling paddletickets—Paddletickets must be purchased only with chips, except that paddletickets for the immediate next spin may be purchased directly with cash in an amount equal to the value of the tickets.

Receiving currency—Upon receiving cash from a player for the purchase of chips or tickets, the paddlewheel operator must:

- spread each bill of currency face down and flat, in sequence of denomination, in the inner table area perpendicular to the chip tray, and momentarily move the operator's hand away from the currency so the currency is within the camera's view;
- spread the chips or purchased paddletickets out on the playing surface, and momentarily move the operator's hand away from the chips or paddletickets so that the chips or paddletickets are within the camera's view;
- restack the chips and push them to the player; and
- place the currency in the drop box after giving the player the chips or paddletickets.

Sell all tickets or give refund—If all the tickets on a card cannot be sold, refund the cost of the paddletickets to the players. The returned tickets must be defaced and kept with records in a secured area for 3-1/2 years.

Conducting a Paddlewheel Game With a Table [continued]

Drop box

After play has begun, a money plunger must remain in the drop box slot while the drop box is attached to the table. The paddlewheel operator must remove the plunger when coin, currency, or forms are being inserted into the drop box.

The paddlewheel operator must place all cash received for chips or paddletickets into the drop box.

The contents of the drop box may only be accessed by the two-person count team.

Bet limits

A player may not place a bet that exceeds one or more of the following limits:

- \$50 in aggregate for a spin of the paddlewheel
- \$10 on a single number
- \$25 for a line bet
- \$25 on either "odd" or "even"

A bet is void if it exceeds one or more of these limits. Paddletickets used to make the excess portion of the bet must be treated as losing tickets.

Placing bets

Using ID number—Each player must write the player's assigned identification number on the back of the player's paddletickets before placing the tickets in a betting slot on the table.

Bet on immediate next spin—A player must bet all of the player's purchased paddletickets on the immediate next spin.

If a player purchases a paddleticket and does not bet the ticket on the immediate next spin, the ticket is not valid and may not be wagered on any other spin. The player must give the ticket back to the paddlewheel operator who must treat it as a losing ticket.

To place a bet, a player must place the purchased paddleticket in a betting slot on the table. If a player forces the ticket all the way through the slot into the cavity of the table, the paddleticket is not valid and must be treated as a losing ticket.

Assisting players—The operator may assist a player with a disability if the operator first verbally announces to all players at the table that assistance is being given.

Closing bets

The operator shall announce "bets closed" when the operator has determined:

- no other player desires to purchase a paddleticket for the immediate next spin:
- there is no partially sold paddleticket card; and
- the players have bet all their tickets.

After "bets closed" is announced, players may not place a bet, change a bet, touch any ticket, or place their hands on top of the table.

Conducting a Paddlewheel Game With a Table [continued]

Spinning the wheel

The paddlewheel may only be spun by the paddlewheel operator. A player may not spin the paddlewheel.

The paddlewheel must make at least four complete revolutions before the pointer stops. If four complete revolutions are not made, the spin is void and the paddlewheel must be spun again. If the pointer stops directly on top of a peg, the number preceding the peg is the winning number.

Multiple spins of the paddlewheel to award multiple prizes for one paddleticket card is not allowed.

Numbering and recording each spin

Each spin for each day of activity must be sequentially numbered by the paddlewheel operator beginning with "one" for the first spin of the day, progressing in number sequentially until activity for the day is completed.

The spin number must be written with a nonerasable marker either on:

- the face of the first paddleticket card stub for which tickets have been sold for a particular spin, or
- the back of the last stub from which tickets have been sold for a particular spin.

All spin numbers must be recorded in the same location on the stub. When the sale of tickets for a particular spin continues into a new sealed grouping of paddleticket cards, the spin number must also be written on the face of the first stub of the new group of tickets.

The paddlewheel operator must also initial each paddleticket card stub using a nonerasable marker when recording the spin number.

After each spin the paddlewheel operator must record with a nonerasable marker the winning number or numbers on:

- the face of the stub with the lowest serial number of the cards related to that spin, or
- the back of the stub with the highest serial number of the cards related to that spin.

Continuing play with new group of paddletickets

Check master flare—The operator may not continue selling tickets for any particular spin into a new group of paddleticket cards unless the master flare for the new group contains the same prize payout as the master flare associated with the previous group.

Post the master flare of the new group for which the sale of tickets is continuing and the finished group from which tickets were sold for the same spin until the end of the spin. Then remove the old master flare.

Conducting a Paddlewheel Game With a Table [continued]

Awarding the prize

The prize payout must be a predetermined variable multiple of the amount wagered, must be made in chips, and must not exceed the following ratios:

<u>RATIO</u>	<u>BET</u>
40 to 1	single number in the outer concentric circle
20 to 1	single number in the middle concentric circle
10 to 1	single number in the inner concentric circle
5 to 1	line
2 to 1	"odd" or "even"

When redeeming a winning ticket and awarding a prize, your paddlewheel operator must:

- 1. remove all losing tickets from the slots on the table, and in view of the players tear them in half and discard the torn tickets in a container that is not easily accessible by a player;
- remove and pay off the winning tickets, if any, slot by slot. Your operator must:
 - circle or record, in ink, the winning number or set of numbers on the face or on the back of the winning ticket;
 - pay off the winning ticket in chips to the player who has the card containing the unique ID number written on the back of the ticket; and
 - record the prize amount in ink on the face or on the back of the winning ticket; and
- 3. deface and keep any redeemed winning ticket. The most common method is to staple the ticket to the paddleticket card.

Redeeming chips at cashier

Cash bank—Chips may be redeemed only through a chip and cash bank cashier.

- The cash bank must be kept separate from all other cash.
- Chips must be redeemed for the same value for which they were sold.
- The chips must be kept separate and apart from the chip bank until after the records are completed for the accounting period during which the chips were redeemed.

Tipping

Only paddlewheel chips may be used to tip the paddlewheel operator. The operator must redeem the actual chips received as tips through the chip and cash bank cashier and may not exchange those chips for other chips from any chip tray.

Conducting a Paddlewheel Game With a Table [continued]

Closing a paddlewheel game to players

When closing the game, the paddlewheel operator must:

- tell players that chips must be redeemed through the paddlewheel chip and cash bank cashier,
- · collect all identification cards from the players,
- · cover the wheel or make the wheel inoperable, and
- remove and secure the drop box, but the paddlewheel operator may not open the drop box.

Keys to drop box—During the activity for a paddlewheel table, the key to at least one lock securing the drop box contents must be maintained and controlled by an employee or volunteer of the organization who is not the paddlewheel operator or the chip and cash bank cashier. The organization is responsible for the safeguarding and secure storage of the paddleticket cards and chips.

LG751 maintained by operator

Throughout the game's activity, each paddlewheel operator must maintain a separate LG751 Paddlewheel with Table—Daily Sales Report.

The figures from the LG751 are transferred to:

- the LG750 Paddlewheel with Table Daily Report [summary section], and
- the LG752 Paddlewheel with Table—Operator's Percent of Hold by another person other than the paddlewheel operator.

Deposit information

See Deposit information in the "Conducting a Paddlewheel Game—Without a Table" section in this chapter.

Closing the game

For "Closing the Game—Required Procedures" refer to the LG750 Paddlewheel with Table—Daily Report Instructions, included in this section.

All games in play closed at month end

At the end of the month all partially played groupings of paddleticket cards must be closed. Report played paddleticket groupings with any unsold paddletickets on the Schedule B2.

A sealed group of tickets is considered one game and one entry on the Schedule B2.

Auditing a game

The final audit of the game must be done by someone other than the paddlewheel operator, cashier, or the person who prepared the deposit.

Fund loss

See Fund Loss information in the *Conducting a Paddlewheel Game With a Table* section in this chapter.

Conducting a Paddlewheel Game With a Table [continued]

Preventing employee theft

Monitoring paddlewheel with a table activity and the profit percentage is a valuable tool in detecting—and preventing—possible employee theft.

Payout percentages—When an organization purchases paddletickets, distributors provide a payout percentage sheet. The payout percentage sheet will help an organization determine whether or not it is losing money on paddlewheel games conducted with a table.

Use the LG752—To monitor each operator's percent of hold, use the LG752 Paddlewheel with Table—Operator's Percent of Hold.

- · Use one sheet for each operator per site.
- The sheet may not be completed by the paddlewheel table operator.
- To determine the operator's percent of hold, divide the net receipts by gross receipts for each activity date and record it on that operator's LG752.
- It is suggested to use the LG752 as a tool to help determine which occasion to review for the week.

Review payout percentages—The percentages will give an indication if there's a problem. If the percentages are higher than the figure provided with the game, the seller might:

- not be tearing up a losing ticket, marking it as a winner, and redeeming the chip with the tips;
- be spinning the wheel until a winner is determined by the spin. Only one spin
 of at least four revolutions per play is allowed;
- be paying a player for a non-winning ticket; and
- be incorrectly recording the prize payout.

Report suspected theft—If employee theft is suspected in the paddlewheel table operation, immediately contact your Compliance Specialist at the Gambling Control Board.

Records and Reports

Required forms to use

Complete and keep the following required forms:

- LG844 Perpetual Inventory/Paper Pull-tabs, Tipboards, and/or Paddletickets
- LG847 Current Site Inventory List
- LG846 Physical Inventory/Paper Pull-tabs, Tipboards, and/or Paddletickets Monthly Report
- LG830 Merchandise Prize Perpetual Inventory—if using merchandise prizes or merchandise certificates

Maintain a record of all merchandise prizes, including:

- the value of the merchandise prizes purchased
- how many have been awarded as prizes
- the value of prizes still left in inventory
- the paddleticket serial numbers used for games where merchandise prizes are awarded
- [meat] prizes bought and used in the same day
- · vendor invoices

When conducting paddlewheel activity with a table, in addition to the above records, complete and keep the following required forms:

- LG750 Paddlewheel with Table—Daily Report [and fill slips]
- LG751 Paddlewheel with Table—Daily Sales Report
- LG752 Paddlewheel with Table—Operator's Percent of Hold

Digital video surveillance recordings of daily paddlewheel with table activity must be kept in a safe and secure place for at least 90 days. A log must be kept showing the date and name of the person who completed the weekly review.

Monthly reports and schedules

Each month, an organization must report to the Gambling Control Board paddlewheel gross receipts, prizes, net receipts, and cash variances. Organizations must submit this information in an electronic file which includes the Schedule A-Lawful Gambling Receipts and Expenses by Site.

Forms and instructions are available at **www.mn.gov/gcb** [under GCB Monthly Reports] or from the Gambling Control Board.

In addition, each month, an organization must submit a G1 Lawful Gambling Monthly Tax Return to the Department of Revenue, reporting paddlewheel gross receipts, prizes, net receipts, and cash variances.

Forms and instructions are available from the Department of Revenue.

Keep your games and records

Keep the following in a secured area not susceptible to flooding for at least 3-1/2 years after the month in which paddlewheel games are reported as closed on the Schedule B2:

- master flares
- paddleticket card stubs
- winning paddletickets [must be defaced]
- unsold paddletickets [must be defaced]
- · all paddlewheel records

Chapter 9 **PADDLEWHEELS** MINNESOTA LAWFUL GAMBLING 2/03 LG750 Paddlewheel with Table-Daily Report Organization ABC Ski License/Permit Number 12345 For Drop Box Cash and Fill/Credit Slip information, use a separate LG750 for Date 10/9/2014 Site Name Bob's Bar Table 1 each table. Include the totals in the Daily Report Summary on the LG750 STARTING CASH BANK **ENDING CASH BANK** used to summarize daily activity for all tables [limit 2 tables per site] \$100 x ____= \$____ \$100 x ____= \$____ **TABLE DROP BOX CASH** \$ 50 x ____= \$___ \$ 50 x ____= \$____ \$100 x ____ = \$_ \$ 20 x <u>50</u> = \$ 1000 \$ 20 x <u>20</u> = \$ 400 \$ 50 x ____ = \$__ $$20 \times 40 = 800 \$ 10 x <u>15</u> = \$ 150 ___ \$ 10 x 20 = \$ 200 ___ $$10 \times 5 = 50 \$ 5 x <u>50</u> = \$ 250 \$ 5 x <u>35</u> = \$ <u>175</u> 5 x <u>20</u> = \$ 100_ 1 x <u>20</u> = \$ <u>20</u> \$ 1 x <u>100</u> = \$ 100 \$ 1 x <u>80</u> = \$<u>80</u> \$ 970 TOTAL Starting cash \$ 1550 Ending cash \$ 805 Drop box must be opened and cash counted in the presence of 2 persons. Cashier Rose Marie Counted by Cashier Rose Marie____ Verified by John Manager Verified by Bill Bank [may not be wheel operator] [may not be wheel operator] [may not be wheel operator or cashier] **CHIP BANK INVENTORY [CASHIER] TABLE FILL AND CREDIT SLIPS OPENING CLOSING** Fill number Fill amount Quantity Value Value Quantity \$25 [green] \$25 \$ 1250 \$ 1250 4051 50 1550 \$5 [red] \$ 250 \$5 50 49 \$ 245 \$1 [white] 50 \$ 50 **\$ 50** 50 TOTAL | \$ 1550 TOTAL | \$ 1545 Total fills \$ 1550 Cashier Rose Marie Cashier Rose Marie Minus credit amount \$ 1545 Verified by <u>John Manager</u> Verified by <u>John Manager</u> Credit number 4052 [may not be wheel opera or] [may not be wheel operator] Value of chips awarded **\$ 5** KAMP **CHIP VARIANCE** Closing Minus starting \$1550 Chip variance \$ -5 **DAILY REPORT SUMMARY Adjusted Net Receipts** Cash Profit/Loss Cash Long/Short 4. Ending cash bank \$ 805 9. Cash profit/loss \$<u>225</u> _ 1. Enter amount from \$ 220 10. Minus adjusted 5. Add drop box cash \$ 970 _ 2. Chip variance net receipts 6. Subtotal \$<u>1775</u> \$ 225 [Add negative variance; [from line 3] 7. Minus starting subtract positive variance] 11. Cash long/short \$ 0 \$ 1550_ cash bank 3. Adjusted net receipts \$ 225 8. Cash profit/loss \$<u>225</u> Summary completed by Audit completed by [may not be cashier or operator] 10/9/2014 John Manager John Manager 10/9/2014 [Signature in ink] Date [Signature in ink] Date

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_____ Deposit amount \$ 225

Deposit prepared by Bill Bank

LG750 Paddlewheel With a Table Daily Report: Instructions

Before the start of activity

Starting cash bank

The cashier, who may not be the paddlewheel table operator:

- counts the start-up cash bank for the paddlewheel table activity,
- records the amount in the Starting Cash Bank section, and
- signs the LG750.

A third person, who may not be the paddlewheel table operator, counts the start-up cash and signs on the "verified by" line in the Starting Cash Bank section. This may be done prior to the cashier's count. For example, the gambling manager may count and record the information before the cashier does a count.

Chip bank inventory

A third person who is not the paddlewheel table operator or cashier:

- · counts the chip bank inventory,
- completes the opening Chip Bank Inventory section, and
- signs on the "verified by" line.

This may be done prior to the cashier's count.

The cashier counts the chip bank inventory and signs the LG750.

Chips may not be transferred from one table to another.

Table fill and credit slips

Whenever chips are distributed to a paddlewheel table from the chip bank the paddlewheel chip and cash bank cashier must prepare a fill slip.

The fill slip must be at least a two-part carbonless form with the following information:

- 1. date and time
- 2. denomination of chips
- 3. quantity and total dollar value, by denomination, of chips
- 4. total dollar value of chips
- 5. table identification number, if more than one table

MARK X IN BOX
FillCredit
White-cashier White-drop box
Yellow-drop box Yellow-cashier
Tenew drop box Tenew easiner
Table #
Date
Time
D M 1
Denom. Number Amt.
X=
X=
X =
X =
SIGNATURES
Operator
Cashier
56021

- The paddlewheel table operator completes a fill slip and gives it to the cashier.
- The cashier counts out the requested chips, signs the fill slip, keeps the white copy, and gives the chips and the yellow copy to the paddlewheel table operator.
- The paddlewheel table operator recounts the chips and then signs and inserts the yellow copy into the paddlewheel table drop box.

When additional chips are needed at the paddlewheel table, the paddlewheel table operator must complete a fill slip following the above steps.

LG750 Paddlewheel With a Table Daily Report: Instructions [continued]

Closing the game **Returning chips** The paddlewheel table operator: to chip bank; counts the chips, credit slips __ completes and signs a credit slip for all chips being returned from the table to the cashier, inserts the white copy of the credit slip into the paddlewheel table drop box, returns the chips to the cashier with the yellow copy of the credit slip. The cashier: ____ counts and verifies the returned chips to the amount listed on the fill slip, ____ signs the yellow copy of the credit slip kept with the LG750, and puts the returned chips into the cashier's chip bank inventory. Chip bank After the paddlewheel operator has returned the chips to the cashier, the cashier: inventory counts the chip bank inventory; records the amount in the closing Chip Bank Inventory section of the LG750; ____ completes the Chip Variance section of the LG750; and signs the LG750. A third person, who is not the paddlewheel table operator, verifies the chip bank inventory and signs the LG750. **Ending cash bank** The cashier counts the ending cash bank, records the amount in the Ending Cash Bank section, and signs the LG750. A third person, who is not the paddlewheel table operator, verifies the ending cash bank and signs the LG750. Table drop box At the end of the activity, the paddlewheel table operator must remove the cash unopened drop box and lock it in a secure place, such as a safe. Two organization employees must: open the table drop box, count the cash and complete the Table Drop Box Cash section of the LG750, complete the Table Fill and Credit Slips section of the LG750, and sign the LG750. The paddlewheel table operator and the chip and cash bank cashier may not count the cash together, however, one of them may count the cash. A third person must count and verify the cash count. A third person completes the Daily Report Summary on the LG750. The summary Daily report is used to compare the adjusted net receipts to the actual cash on hand to summary and determine if there is a cash long or short. deposit The actual amount of cash from the occasion is the amount deposited into the gambling bank account within four business days.

Paddlewheel Checklists

This section contains the site inspection checklists used by Gambling Control Board staff for reviewing paddlewheel operations to determine if an organization is complying with statutes and rules.

Use the checklist as an internal check of your paddlewheel operations.



LG855 Paddlewheel [Without Paddlewheel Table] Inspection Checklist

Orga	aniza	tion: Premises	s Nam	e and	d Location: License/Premises Permit Number:
Insp	ecte	d By:	Da	ite: _	/ Time: a.m./p.m.
		Any items checked "no" indicate possible viola	ation	of M	innesota gambling statutes or rules.
Yes	No	Information Posted/Available	Yes	No	Employees and Players (continued)
		The house rules sign is adequately lighted, legible, prominently posted, at least 11" x 17", and includes:			Gambling manager does not directly or indirectly participate as a player. [349.181, subd. 2]
		organization name, license, and permit number; problem gambling helpline number;	Yes	No	Equipment
		statement that illegal gambling is prohibited; policies governing conduct, including any restrictions in addition to those imposed by Minn. Stat. 349.181 on who may not participate in lawful gambling at the site [7861.0260,			11. Gambling equipment is secured and kept separate from gambling equipment owned by other persons or organizations. [349.18, subd. 1a(b)]
		subp. 2];all paddletickets on a card must be sold before paddlewheel is spun; a paddlewheel must make at least four complete			12. The paddlewheel has a registration stamp affixed to it. [349.162, subd. 1 & subd. 4(b)] #
		revolutions before the pointer stops. If the pointer stops on top of a peg, the number			13. The paddlewheel is covered or disabled when not in use. [349.18, subd. 1a(c)]
		preceding the peg is the winning number; winner is not required to be present when the	Yes	No	Conduct
		paddlewheel is spun; winner must claim the prize by the conclusion of the day's activity. [7861.0300, subp. 3A] The following is posted:			14. Each ticket is sold for the same price and has a separate and equal chance to win as all other paddletickets with the same paddleticket card number. [7861.0300, subp. 4(1)]
		master flare for game [7861.0300, subp. 3B]; a sign stating the amount of any cash prize and the fair market value of all merchandise prizes to be awarded for each game			15. A person is not required to purchase more than one paddleticket or pay for anything other than the ticket. [7861.0300, subp. 4A(2)]
		[7861.0300, subp. 3C]. 3. Copies of invoices for all paddletickets and paddlewheels at the premises are available for	-		 All paddletickets sold for a spin must have the same paddleticket card number. [7861.0300, subp. 4A(3)]
		4. A current site inventory list of gambling equipment is kept at the premises. [7861.0260, subp. 1C(1)]	-		17. All paddletickets on a pad-dleticket card are sold prior to the spinning of the wheel. [7861.0300, subp. 1F]
Yes	No	Employees and Players 5. Compensated employees publicly display their	-		18. The wheel makes at least four complete revolutions, or a non-spin is declared and the wheel is spun again. [7861.0300, subp. 1G]
		name when working. [349.168, subd. 2] 6. Persons under 18 do not participate as a player			19. A prize is awarded only to the player who redeemed the winning paddleticket. [7861.0300, subp. 1I]
		in a paddlewheel game. [349.181, subd. 1(a)] 7. Gambling employees or volunteers involved in			20. Checks are not accepted. [349.2127, subd. 7]
		the conduct of paddlewheels, pull-tabs, and tipboards do not directly or indirectly purchase			21. Credit play is not allowed. [7861.0260, subp. 1B]
		paddletickets at this premises. [349.181, subd. 3]			22. Gambling is only conducted when the premises is open for the conduct of its regular
		 The lessor does not participate directly or indirectly as a player in lawful gambling on the premises. [349.181, subd. 4] 			business. [7861.0260, subp. 1F] Regular hours:
		9. Members of the lessor's immediate family do not participate directly or indirectly as players in a paddlewheel game at the premises. [349.181, subd. 5]	Com	men	ts:
Orga	aniza	ation representative/employee: I acknowledge that	I rece	ived	a copy of this report on behalf of the organization.
Sign	atur	e: Date:			Print Name:
		The information on this form was used to determine and rules governing lawful gambling active	rmine v	your ind w	compliance with Minnesota statutes ill become public information.

LG856 Paddlewheel With Table Inspection Checklist

Orga	nizat	ion: Premise:	s Name	e and	d Location: License/Premises Permit Number:
Inspe	ected	By:	Da	te: _	/ Time: a.m./p.m.
		Any items checked "no" indicate possible viol	ation	of M	linnesota gambling statutes or rules.
Yes	No	Information Posted/Available	Yes	No	
		 The house rules sign, at least 11" x 17", is adequately lighted, legible, prominently posted at point of sale, and includes: Organization name, license and premises permit number. 			 3. Copies of invoices for all paddletickets, paddlewheels, and tables at the premises are available [349.18, Subd. 1a(a)]. 4. A current site inventory list of gambling equipment is kept at the premises
		Problem gambling helpline number Statement that illegal gambling is			[7861.0260, Subp. 1C(1)].
		prohibited.	Yes	No	Employees and Players
		Policies governing conduct, including any restrictions in addition to those imposed by Minn. Stat. 349.181 on who may not			 Compensated employees publicly display their name when working [349.168, Subd. 2].
		participate in lawful gambling at the site [7861.0260, Subp. 2]All paddletickets on a card must be sold before the paddlewheel is spun.			6. Persons under 18 do not participate as a player in paddle-wheel games [349.181, Subd. 1(a)(1)].
		A paddlewheel must make at least four complete revolutions before the pointer stops. If the pointer stops on top of a peg, the number preceding the peg is the winning number [7861.0300, Subp. 5A].			7. Gambling employees or volunteers involved in the conduct of paddlewheels, pull-tabs, and tipboards do not directly or indirectly purchase paddletickets at this premises [349.181, Subd. 3].
		The following is posted: the master flare for the paddlewheel game; cash denominations at which paddlewheel			8. The lessor does not participate directly or indirectly as a player in lawful gambling on the premises [349.181, Subd. 4].
		chips are sold and redeemed; a player must first purchase paddlewheel chips from the paddle-wheel operator; chips must be safeguarded. A chip dropped into the table betting slot must be retrieved			9. Members of the lessor's immediate family do not participate directly or indirectly as players in a paddlewheel game at the premises [349.181, Subd. 5].
		by authorized organization employees; player must purchase with chips only as many paddletickets as the player desires to			10. Gambling manager does not directly or indirectly participate as a player [349.181, Subd. 2].
		bet on the immediate next spin of the paddlewheel;	Yes	No	Equipment
		a player places a bet by inserting a paddleticket in a selected betting slot on the paddlewheel table. Jammed tickets are void; a player may not touch a paddleticket after			11. Gambling equipment is secured and kept separate from gambling equipment owned by other persons or organizations [349.18, Subd. 1a(b)].
		the paddlewheel operator announces "bets closed" and until the operator announces "place bets";			12. The paddlewheel and table each have a state registration stamp affixed to them.
		a winning "odd" or "even" bet is determined by a winning number of only the designated colored circle. However, a player loses all "odd" and "even" bets if the pointer stops on			Table [349.162, Subd. 1]
		<pre>a specifically designated "house number" (posted only if "odd" or "even" bet is accepted);</pre>			13. No more than two paddlewheel tables are at a premises [7861.0300, Subp. 6B].
		a prize payout is made in chips that must be redeemed through the cashier; and			14. The paddlewheel is covered or disabled when not in use [349.18, Subd. 1a(c)].
		a player must be present to win. [7861.0300, Subp. 5B to L]			15. A log showing who conducted the weekly review of activity per table is maintained [7861.0300, Subp. 7G].

LG856 Paddlewheel with Table Inspection Checklist

		,	_
es	No	Conduct	Comments:
		16. Each ticket is sold for the same price and has a separate and equal chance to win as all other paddletickets sold for that spin [7861.0300, Subp. 6D(2)].	
		17. All paddletickets on a paddleticket card are sold prior to the spinning of the wheel [7861.0300, Subp. 1F].	
		18. The wheel makes at least four complete revolutions, or a non-spin is declared and the wheel is spun again [7861.0300, Subp. 1G].	
		19. Players are betting all purchased tickets or the immediate next spin [7861.0300, Subp. 6F(2)].	
		20. Tickets pushed all the way into the table a treated as losing tickets [7861.0300, Subp. 6F(3)].	re
		21. Only cash prizes are awarded, and are awarded and redeemed through the use of chips [7861.0260, Subp. 4D(5)].	:
		22. Checks are not accepted for the purchase paddletickets [349.2127, Subd. 7].	of
		23. No credit play is allowed [7861.0260, Subp. 1B].	
		24. Gambling is only conducted when the premises is open for the conduct of its reg ular business [7861.0260, Subp. 1F].	-
		Regular hours:	_
		zation representative/employee: I acknown anization.	wledge that I received a copy of this report on behalf of
gn	atur	re:	Date:
int	nar	me:	